



February 5, 2016

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, NW
Washington, DC 20554

Via ECFS

RE: In the Matter of Connect America Fund, WC Docket No. 10-90

Dear Ms. Dortch:

Blackfoot Telephone Cooperative, Inc. ("Blackfoot") has been, and continues to be, a proponent of rural local exchange carriers ("RLECs") having an option to receive model-based, high-cost universal service fund ("USF") support.¹ Blackfoot has been an active participant in rural industry groups² and has been working diligently to help negotiate a high-cost USF reform proposal.

Blackfoot supports the A-CAM build-out obligations as proposed by ITTA, supported by USTA, and as modified by WTA-Advocates for Rural Broadband. Specifically, Blackfoot supports the build-out standards for those carriers taking A-CAM support as follows:

- 1) Carriers that have a state-wide density of more than 10 locations per square mile shall be required to offer broadband speeds of at least 25/3 Mbps to 75% of all fully funded locations, and 10/1 Mbps to all other fully funded locations;
- 2) Carriers that have a state-wide density of less than 10 locations per square mile but more than 5 locations per square mile shall be required to offer

¹ See Letter from Jason B. Williams dated April 21, 2015, *In the Matter of Connect America Fund, WC Docket No. 10-90*, discussing an *ex parte* meeting between Blackfoot and WCB Staff wherein Blackfoot urges the adoption of a model-based USF option; Letter from Jason B. Williams dated October 30, 2015, *In the Matter of Connect America Fund, WC Docket No. 10-90*; *In the Matter of Protecting and Promoting the Open Internet*, GN Docket No. 14-28, *in the Matter of Framework for Broadband Internet Service*, GN Docket No. 10-127; *Modernizing the E-Rate Program for Schools and Libraries*, WC Docket No. 13-184, discussing an *ex parte* meeting between Blackfoot and Chairman Wheeler wherein Blackfoot advocated that the FCC should implement an optional, alternative regulatory plan for rural, rate-of-return ILECs.

² Blackfoot is a member and active participant in NTCA-The Rural Broadband Association's Industry Committee, WTA-Advocates for Rural Broadband's Public Policy Committee, and US Telecom's Leadership Committee and Rate-of-Return Reform Sub-Committee.

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- broadband speeds of at least 25/3 Mbps to 50% of all fully funded locations, and 10/1 Mbps to all other fully funded locations; and
- 3) Carriers that have less than 5 locations per square mile shall be required to offer broadband speeds of at least 25/3 Mbps to 25% of all fully funded locations, and 10/1 Mbps to all other fully funded locations.

These build-out obligations strike an appropriate balance of ensuring additional broadband will be deployed in currently underserved areas while giving the carriers that serve some of the most remote and rugged land areas of the United States some flexibility for build-out obligations.

Based upon its experience, Blackfoot believes that the percentage build-out obligations will have a “halo effect,” meaning that while the obligation may be, for example, to build-out 25/3 Mbps to 75% of fully funded areas, the actual number of locations built out to 25/3 Mbps would likely be higher than 75%. In constructing network upgrades, carriers, as a practical matter, will not cease construction merely because they have achieved the benchmark threshold; they will engineer and build networks as projects and in such a way as to serve the most locations for the least costs, serving (in this example) a bare minimum of 75% of the locations with 25/3 Mbps. In addition, as carriers use A-CAM funds to deploy fiber and other equipment deeper into their networks, all consumers will benefit from increased broadband speeds and availability.

In addition, Blackfoot supports the use of at least \$200 million in CAF reserves to fund carriers electing A-CAM support. Blackfoot agrees with ITTA that the more CAF reserves that are used to fund the A-CAM, the greater the public policy benefits of expanded broadband deployment to currently underserved areas.³

Further, Blackfoot is concerned that during any A-CAM election period, a large number of RLECs may show initial expressions of interest just to see what their support would be under the A-CAM, but then when it comes time to make the final election, they will decline A-CAM support. Blackfoot urges the FCC to design its A-CAM election process such that carriers that ultimately decide to elect A-CAM support do not have their funding levels undercut by those carriers that show only an initial expression of interest. As explained above, Blackfoot supports the proposed build-out obligations of 25/3 Mbps to a percentage of its fully funded locations. As a policy matter, the more funding that goes to carriers electing A-CAM support will mean more customers will have access to broadband at 25/3 Mbps, at a minimum.

Lastly, Blackfoot supports and urges the FCC to adopt the proposals made by USTelecom and NTCA-The Rural Broadband Association revising the existing rate-of-

³ See Letter from Genevieve Morelli on behalf of ITTA dated December 22, 2015, *In the Matter of Connect America Fund*, WC Docket No. 10-90.

return program.⁴ These proposals strike a reasonable compromise of RLEC interests and are the final piece needed in order for the FCC to issue an Order implementing comprehensive reform of the high cost, USF program.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "J. Williams", followed by a horizontal line.

Jason B. Williams
Vice President – General Counsel

cc: Carol Matthey
Alexander Minard
Suzanne Yelen

⁴ Letter from B. Lynn Follansbee on behalf of US Telecom dated February 5, 2016, *In the matter of Connect America Fund*, WC Docket No. 10-90.